

Technical Notes

Datapoint August 1999 Number 2

N.B.: These notes will be available on the Division of Health Care Finance and Policy's website (www.state.ma.us/dhcfp).

General

1. Statistics for the second quarter of FY 1999 (1/1/99 to 3/31/99) are based on short stay acute hospital inpatient discharge data received as of 7/9/99. Some data that failed DHCFP edits have been included, based on our judgment that they would not adversely affect calculation of the selected indicators. Sixty-eight of eighty Massachusetts short stay acute care hospital campuses are included in the analysis; five teaching hospitals and seven non-teaching hospitals are not included. These hospitals account for approximately 82% of discharges and days and 83% of total charges statewide. Statistics for the current quarter will be updated on our website (www.state.ma.us/dhcfp) when complete data are available.
2. Statistics for Q2 FY 1998 are based on data from all Massachusetts short stay acute care hospitals that have passed DHCFP edits.

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1. Diagnosis Related Groups (DRGs) are assigned based on the 3M All-Patient Grouper, version 12. The top 10 DRGs are identified by calculating the percent of total inpatient charges statewide that each DRG represents for Q2 FY 1999. Statistics for Q2 FY 1998 are then presented for the same 10 DRGs, regardless of whether they had the same ranking in that year.

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1. Hospital charges are not inflation-adjusted and do not represent costs or payments. Ancillary charges include all charges except those for routine and special accommodations.
2. The distribution of total charges per discharge is calculated by assigning each discharge statewide to one of 50 intervals, based on the total charge for that discharge. Intervals are \$1,000 wide, with the exception of the last one, which groups all discharges which have total charges of \$50,000 or more. The discharges that fall into each interval are then counted, and the percentage of total discharges statewide that each interval represents is calculated. The lines on the graph "Distribution of Total Charges per Discharge" connect the points that indicate the calculated percentages for each interval.
3. The following hospital campuses are categorized by the Division as teaching hospitals: Baystate, Berkshire, Beth Israel Deaconess Medical Center, Boston Medical Center, Brigham and Women's, Cambridge, Carney, Children's, Dana Farber, Faulkner, Lahey, Massachusetts Eye and Ear, Massachusetts General Hospital, Mount Auburn, New England Medical Center, Saint Elizabeth, Saint Vincent, and University of Massachusetts.

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1. Case-mix index is calculated using Massachusetts cost weights for the 3M All-Patient Grouper, version 12. The base year is FY 1993. The case-mix index equals the sum of the cost weights for all discharges divided by the number of discharges.
2. The percent increase in discharges and total patient days is calculated using only those hospitals for which we have data for BOTH the current quarter and the equivalent quarter of the previous year.

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1. Payer source data have been regrouped for purposes of producing *Datapoint* graphs regarding payers. Groupings used are NOT equivalent to the “payer type” reported by hospitals.
2. The graph “Payer Categories by Percent of Discharges and Charges” is designed to indicate the total impact of various insurers in the market, while at the same time separating out managed care from non-managed care payers. Thus, the percents of discharges and charges calculated for Harvard Pilgrim, Tufts, Blue Cross Managed Care, Fallon, and Other Managed Care include all discharges attributable to all products they offer, including Medicare and/or Medicaid plans.
3. In contrast, the graph “Government and Private Payers by Percent of Discharges and Charges” groups patients by the underlying payer, regardless of plan type. Thus, for example, all Medicare discharges are included in the Medicare category, regardless of whether it was the traditional Medicare program or a Medicare+Choice plan.